



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

November 1, 2006

☒ **APPROVED**

Zions Bank
20 East Main
Delta, Utah 84624

Attention: Jay B Finlinson, 435-864-2001

Subject: Reclamation Surety, Certificate of Deposit for Rex or Gary Harris
STATE ML 43395 - FOSSILS Mine Site, S/027/011, Millard County, Utah

Certificate of Deposit no. _____; Principal Amount \$5,000.00.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the STATE ML 43395 - FOSSILS mine site ("Mine Site"), Millard County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$5000.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Rex or Gary Harris, individuals, but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis.

This letter grants approval by Rex or Gary Harris for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

Release:

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation of the Certificate of Deposit, the Division may transfer the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation notice. If the Bank is under a forced cancellation, the Division will immediately request the transfer of the CD funds to a state managed cash account.

Accrued Interest:

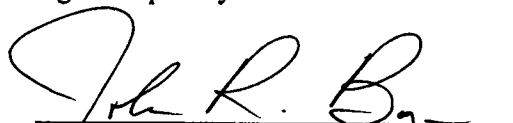
Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$5000.00. All tax liabilities for accrued interest shall remain the sole responsibility of the

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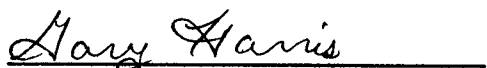
Owners.

Bank will not be held liable for any dispute between the parties.

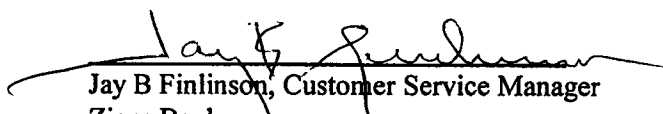
Agreed Upon By:


John R. Baza, Director
Utah Division of Oil, Gas & Mining

Date: 11/22/2006


Gary Harris, Individual
Social Security Number:

Date: 11-01-06


Jay B Finlinson, Customer Service Manager
Zions Bank

Date: 11-1-06

ACCOUNT AGREEMENT AND SIGNATURE CARD

I/we, the undersigned authorized individual(s), agree to the terms and conditions of this account as contained in the Zions First National Bank (hereafter "Bank") Deposit Agreement, which has been received and is incorporated herein, as it may be amended, including but not limited to those concerning arbitration and venue.

CERTIFICATION - Under penalties of perjury, by my signature below on this signature card, I certify that:

1. The number shown on this form is my correct taxpayer identification number (TIN) (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

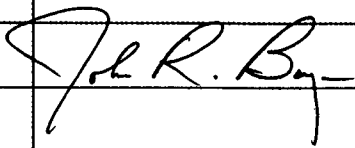
Certification Instructions. You must cross out item "2" above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. The Internal Revenue Service does not require your consent to any provision on this document other than the certifications required to avoid backup withholding.

Account # 0589086321 Type CD Ownership Beneficiary/Custodian

Title: REX OR GARY HARRIS FBO STATE OF UT, DOGM

Date: 11/01/2006

This Account Agreement is agreed to by:

1. REX HARRIS TIN: - -	Beneficiary
2. GARY HARRIS TIN: - -	Beneficiary
3. FBO STATE OF UTAH, DOGM TIN: - -	
4. JOHN R BAZA TIN: - -	
5. - - TIN: - -	
6. - - TIN: - -	

Opened by: JAY FINLINSON